

**AN ORDINANCE BY
FINANCE/ EXECUTIVE COMMITTEE**

AN ORDINANCE TO TRANSFER \$328,000 FROM THE WATER AND WASTEWATER SINKING FUND (5061); TO THE 2001 WATER AND WASTEWATER REVENUE BOND FUND (5057) TO PROVIDE FOR THE SETTLEMENT OF A GUARANTEE INVESTMENT CONTRACT TERMINATION; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the "City"), by a Master Bond Ordinance duly and validly adopted on March 31, 1999 (the "Master Ordinance"), authorized, issued, and delivered \$1,096,140,000 in original aggregate principal amount of its Water and Wastewater Revenue Bonds, Series 1999A (the "Series 1999A Bond"), now outstanding in the aggregate principal amount of \$719,520,000, and authorized, issued, and delivered \$12,605,000 in original aggregate principal amount of its Water and Wastewater Revenue Bonds, Series 1999B (the "Series 1999B Bonds"), none of which are presently outstanding; and

WHEREAS, pursuant to the terms of the Master Ordinance, the City, by Series 2001 Bond Ordinance duly and validly adopted on December 5, 2001 (the "Series 2001 Ordinance"), authorized, issued, and delivered (1) \$415,310,000 in original aggregate principal amount of its Water and Wastewater Revenue Bonds, Series 2001A (the "Series 2001A Bonds"), now outstanding in the aggregate principal amount of \$415,310,000, (2) \$335,640,000 in original aggregate principal amount of its Water and Wastewater Revenue Bonds, Series 2001B (the "Series 2001B Bonds"), now outstanding in the aggregate principal amount of \$330,930,000, and (3) \$211,305,000 in original aggregate principal amount of its Water and Wastewater Revenue Bonds, Series 2001C (the "Series 2001C Bonds"), now outstanding in the aggregate principal amount of \$211,305,000; and

WHEREAS, pursuant to the terms of the Series 2001 Ordinance, the city established a debt service reserve account and deposited funds computed on a basis that includes all Senior Bonds that will be Outstanding immediately after the issuance of the Series 2001C Bonds; and

WHEREAS, the Master Bond Ordinance permits investment of funds held by the City under the Bond Ordinance; and

WHEREAS, the city (the "Buyer") entered into a Master Repurchase Agreement dated January 3, 2002 with Salomon Smith Barney Inc (the "Seller"), Inc. on the funds deposited in the Debt Service Reserve account of the Series 2001C-ARC Bonds; and

WHEREAS, Article 20 of the "Annex I" Supplemental Terms and Conditions to the Master Repurchase Agreement provides for the Refunding of the Series 2001C ARC Bonds; and

WHEREAS, Ordinance 08-O-0512 adopted by the City Council on March 17, 2008 and signed by the Mayor on March 18, 2008 provided for the issuance by the City of Atlanta, "the City", of its Water and Wastewater Revenue Bonds, Series 2008, for the purpose of refunding \$105,600,000 in aggregate principal amount outstanding of its Water and Wastewater Revenue Bonds, Series 2001C, presently operating in the Auction Rate Mode, to provide terms, provisions, and conditions for the issuance of its Water and Wastewater Revenue Bonds, Series 2008; and

WHEREAS, the City, by Ordinance 08-O-0512 transferred the outstanding balance in the Series 2001C-ARC Debt Service Reserve account to the Water and Wastewater Sinking Fund; to establish a Debt Service Reserve account for the Series 2008 Refunding Bonds, and provide for the payment of interest on the Series 2008 Refunding Bonds; and

WHEREAS, under the terms of the Master Repurchase Agreement entered into between the city (the "Buyer" and Salomon Smith Barney Inc (the "Seller"), the transfer of the Debt Service Reserve account to the Water and Wastewater Sinking Fund is deemed as an act of termination of contract; and

WHEREAS, under the terms of the Master Repurchase Agreement, the city (the "Buyer") must compensate Salomon Smith Barney Inc. (the "Seller") for the termination of the contract; and

WHEREAS, it is now necessary for the city ("the "Buyer") to compensate Salomon Smith Barney Inc. (the "Buyer") for the termination of contract;

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY ORDAINS, as follows:

SECTION 1: That the Chief Financial Officer is authorized to amend the 2009 Water and Wastewater Sinking Fund Budget as follows:

TRANSFER FROM APPROPRIATIONS

		Revenue Bonds Interest Payment	
5061	200882	5821002 8000000 000000 000000 0000	\$328,000.00
Total			\$328,000.00

TRANSFER TO APPROPRIATIONS

		Operating Transfer Out to 5057	
5061	200882	6110095 8000000 000000 000000 0000	\$328,000.00
Total			\$328,000.00

SECTION 2: That the Chief Financial Officer be and is hereby authorized to pay from the Water and Wastewater Sinking Fund 5061 200882 6110095 8000000 000000 00000 0000 an amount of \$328,000.00 to the 2001 Water and Wastewater Bond Fund (5057) and recognize revenue in the amount of \$328,000.00 in 5057 000002 3912021 0000000 000000 00000 0000

SECTION 3: That the Chief Financial Officer is authorized to amend the 2001 Water and Wastewater Revenue Fund (5057) 2009 Budget as follows:

ADD TO ANTICIPATION:

	Operating Transfer from 5061	
5057 000002	3912021 0000000 000000 00000 0000	\$328,000.00
Total		\$328,000.00

ADD TO APPROPRIATIONS

	Consultant Professional Services	
5057 200831	5212001 8000000 000000 00000 0000	\$328,000.00
Total		\$ 328,000.00

SECTION 4: That all Ordinances and parts of Ordinances in conflict herewith are hereby waived to the extent of the conflict.

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview: Finance Executive Committee

Caption: AN ORDINANCE TO TRANSFER \$328,000 FROM THE WATER AND WASTEWATER SINKING FUND (5061); TO THE 2001 WATER AND WASTEWATER REVENUE BOND FUND (5057) TO PROVIDE FOR THE SETTLEMENT OF A GUARANTEE INVESTMENT CONTRACT TERMINATION; AND FOR OTHER PURPOSES.

Council Meeting Date: 10-20-08

Requesting Dept.: Department of Finance

FAC Confirmed by:

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

Example: The purpose of this legislation is to anticipate funds from a local assistance grant to purchase child safety seats.

The purpose of this legislation is to transfer funds from the Water & Wastewater Sinking fund to the Water and Wastewater revenue fund (5057) to provide for the settlement of a Guarantee Investment Contract Termination.

2. Please provide background information regarding this legislation.

Example: The task force of homelessness conducted a study regarding homelessness, its impact and consequences on the City. This resolution reflects the Mayor's desire to open a twenty-four hour center that will respond to the needs of the homelessness in Atlanta.

By Master Bond Ordinance Series 2001 (01-O-1893) the city issued a series of bonds (4) in aggregate amounts. All four bonds had amounts in their Debt Service Reserve accounts that were tied to Guarantee Investment Contracts. The Series 2001C-ARC Bonds which were part of the bonds issued were refunded by Ordinance 08-O-0512. The refunding of the series 2001C-ARC bonds terminated the existing Guarantee Investment Contract that was associated with its Debt Service Reserve account. This ordinance seeks to settle the termination of the contract agreement.

3. If Applicable/Known:

(a) Contract Type (e.g. Professional Services, Construction Agreement, etc):

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: LaShawn Gardiner

Contact Number: (404) 330-6449

Originating Department: Department of Finance

Committee(s) of Purview: Finance/Executive Committee

Chief of Staff Deadline: October 1, 2008

Anticipated Committee Meeting Date(s): October 15, 2008

Anticipated Full Council Date: October 20, 2008

Legislative Counsel's Signature: Jack Tilson

Commissioner Signature: _____

Chief Procurement Officer Signature: _____

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FINANCIAL IMPACT (if any): various depends on amount awarded per agency

Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____

(date)

(date)

Received by Mayor's Office: 9/22/08 Amf Reviewed by: _____

(date)

(date)

Submitted to Council: _____

(date)

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: LaShawn Gardiner

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Legislative Counsel's Signature: 

Commissioner Signature:  Foran CFU

Chief Procurement Officer Signature: _____

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FINANCIAL IMPACT (if any): \$328,000.00

Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____

(date)

(date)

Received by Mayor's Office: 10.1.08  Reviewed by: 

(date)

(date)

Submitted to Council: _____

(date)